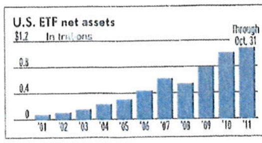
EXHIBIT A

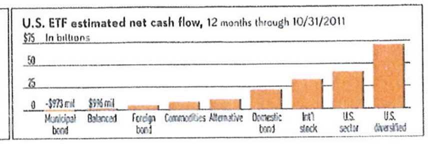
DATA FLOW

The March Of ETFs

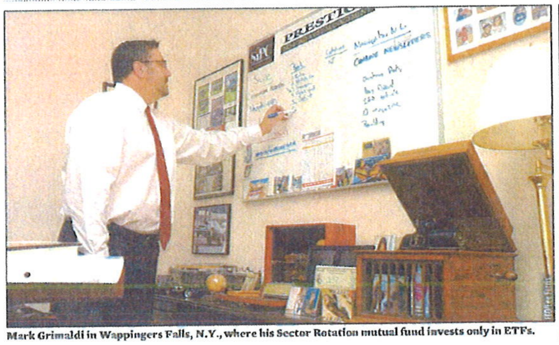
Assets in exchange traded funds have exploded the past 10 years, reaching $1.08 trillion as of Oct. 31. In the past year, U.S. diversified stock ETFs have attracted more than a third of all new investments. Only municipal bond ETFs have seen outflow.

Source: Morningstar Inc.





ETF STRATEGIES



Mark Grimaldi in Wappingers Falls, N.Y., where his Sector Rotation mutual fund invests only in ETFs.

Exchange Traded Funds' Sector Rotation Is Key To Turning Profits For This Manager

Q&A

Navigator's Mark Grimaldi digs into ETFs linked to gold, utilities and Canada

BY TRANG HO
INVESTOR'S BUSINESS DAILY

ETFs or exchange traded funds have been a godsend for not only individual investors, but also institutional investment firms.

Mark Grimaldi, chief economist at Wappingers Falls, N.Y.-based Navigator Money Management, runs Sector Rotation[NAVFX], a mutual fund that invests only in ETFs.

The two-year-old fund has $24 million in assets. He manages $125 million in client assets.

Sector Rotation was ranked No. 1 out of 375 world allocation funds tracked by Morningstar Inc. through Oct. 12.

Sector Rotation produced an average annual return of 10.25% from Aug. 31, 2002, to Oct. 31, 2011, vs. 5.47% for the S&P 500, according to Morningstar. Grimaldi is most proud of his returns from 2008. While the S&P 500 lost 38.49%, his fund lost 4.23%.

He spoke with IBD about his ETF sector rotation strategy.

IBD: *How do you go about creating an ETF investment portfolio?*

Grimaldi: In selecting investments for the fund, I seek to identify securities that exhibit attractive valuations based on characteristics such as price movement, growth rates, volatility and price-to-earnings, price-to-cash flow and price-to-book ratios.

IBD: *What are your ETF investment strategies for Sector Rotation?*

Grimaldi: The investment strategy is that of growth of capital by buying a wide range of sectors and asset classes such as gold, utilities, inverse Treasuries and inflation protected securities. Income is a secondary objective. Whenever possible, we offset a realized gain with a realized loss to keep taxes to a minimum.

We believe buy-and-hold has seen better days, so the turnover ratio is usually around 200%. The fund employs a ranking system to identify the sectors that it believes are showing the greatest relative strength and increases the fund's exposure to those sectors.

Our proprietary ranking system has successfully identified where the money flows are going to help us position the fund ahead of the market.

We rank ETFs based on eight criteria:

1. Fifty-two-week high/low price, which is a simple gauge to show where the ETF is in the business cycle. For example, **Consumer Staples Select Sector SPDR**[XLP] was ranked No. 1 as of Nov. 1.

It was getting close to its 52-week high of $32.46. That was a positive sign, suggesting it could break out above its 52-week high. If that happens, it could continue to rise and establish a new high.

2. One-month, three-month, one-year percentage return, which helps spot price trends.

3. Relative strength index, which shows us if the herd is moving in or out of an ETF and whether an asset is overvalued or undervalued. An RSI reading above 70 suggests the ETF is getting overvalued, while 30 or below signals it's undervalued. We like a reading at the midpoint. XLP's reading was at 54.38. We liked this because XLP was nearing its 52-week high, but was not overvalued.

4. Standard deviation to track the volatility of the asset. We use the three-year SD to show how far the herd can move the price in either direction historically.

5. Ulcer index, measuring short-term risk. This works with the RSI and SD. I like this index because it tells me if the herd starts selling, how low the price can drop. An ulcer index reading above 5 means the security is at a risky level. Below 5, there is only moderate risk. The UI reading for XLP currently is 3.41, indicating a low to moderate level of risk. XLP is nearing a 52-week high, with an RSI reading in the mid-50s and UI under 5. That is a very strong buy signal. We put XLP in the model, and since April 1, 2011, it has beat the S&P 500 by 10% with a third of the volatility.

6. Yield or dividend the ETF is paying.

7. The Sharpe ratio to help determine whether high returns are due to good investment decisions or because of high risk.

8. Volume, which measures the strength of a market move. If the market moves up with a high volume of transactions, the move is more significant.

We rank the ETFs on a monthly basis. But during volatile times, the ranking will be twice a month. We sell the ETFs that fall out of the top 25% and buy the ones that move into the top 25%.

IBD: *What's currently in your mutual fund and why?*

Grimaldi:

1. **SPDR S&P Dividend**[SDY] to provide market returns with lower volatility and higher yield.

2. **SPDR Gold Shares**[GLD], which I've held since the early days of launching the fund. I like gold as a crisis and inflation hedge.

3. **iShares Dow Jones US Utilities**[IDU] because utilities are drawing a lot of investor attention due to the strong current yield, 3.5%.

4. **iShares MSCI Canada Index**[EWC] because our friends of the north are very strong financially.

5. The ETF **SPDR Barclays Capital TIPS**[IPE], which holds Treasury inflation protected securities. IPE has been one of our favorite assets in the past year because of the massive government debt and the Fed has pledged it will keep interest rates close to zero through at least mid-2013.

These ETFs all ranked in the top 10% of our ranking system, except for GLD and IPE. As the portfolio manager, I have the discretion to add or delete asset classes to the fund and models.

Navigator Money Management's Grimaldi: "We believe buy-and-hold has seen better days, so the turnover ratio is usually around 200%."

More Advisers Move Exclusively To ETFs; Should You Do Same?

Lower fees, diversification, tax efficiency give a glint to exchange traded funds

BY TRANG HO
INVESTOR'S BUSINESS DAILY

Exchange traded funds are relatively young in terms of stock market history, yet they've hit it by storm.

Investment advisers and other Wall Street strategists increasingly run retirement accounts, endowments and pension funds purely with ETFs. In this IBD special report, we share some investment firms' profitable ETF trading strategies and how you can apply the same tactics.

ETF investors prefer ETFs to mutual funds because of their lower management fees and liquidity, which makes it easier to rebalance a portfolio and cash out fast.

Mutual funds price only once a day and can have redemption fees or other constraints; ETFs can be traded all day like stocks.

"Showing clients the advantages of ETFs over mutual funds has enabled me to gather a larger share of each client's assets, attract new ones and convert more of my mutual fund and third-party money manager clients to fee-based asset management accounts in which I can demonstrate greater value and hence retain more of total fees," said John Myers, president of Dresher, Pa.-based Woodwell Asset Management, a full-service financial planner with $52 million in assets under management.

Mutual funds report their holdings only once a quarter, so shareholders aren't privy to what the funds are buying and selling daily. Exchange traded fund holdings are listed on their websites.

ETFs offer more tax efficiency than mutual funds because the portfolios generate few capital gains. They offer more diversification over individual stocks, thus are less volatile on average. "Individual stocks by nature are subject to risk from company mismanagement," said Mark Grimaldi, manager of Sector Rotation[NAVFX], a mutual fund that invests in ETFs only. "We like to think of an ETF as just investing in one company's product as opposed to the entire company."

ETFs let investors zero in on specific sectors, countries, commodities, bonds and other asset classes.

"A well-diversified portfolio of ETFs will be more focused, less expensive and more tax efficient than one consisting of mutual funds," said Mark Grimaldi, manager of the Sector Rotation[NAVFX] mutual fund.

ETFs allow for some investment strategies that aren't possible with individual stocks or mutual funds. SignalPoint Asset Management of Springfield, Mo., has boosted its practice from the ground to $236 million with its proprietary ETF investment strategy.

"Our process was conceived back in the mid-'80s at a time when ETFs just didn't exist. Individual securities simply represented too much inherent risk based on our buy-sell discipline," said Skip Motsenbocker, managing partner of SignalPoint. "And mutual funds lacked transparency and their costs presented problems for developing a solid and consistent methodology. So when ETFs really came into their own in 2000, we were able to develop a domestic-equity portfolio, both based on (investing) style and sectors."

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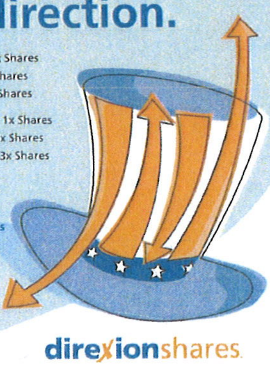

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Investing in ETFs may be more volatile than investing in broadly diversified funds. The use of leverage by a fund means the Funds are riskier than alternatives which do not use leverage. The Funds are not suitable for all investors and should be utilized only by sophisticated investors who understand leverage risk, consequences of seeking daily leveraged investment results and intend to actively monitor and manage their investment. These Funds are not designed to track the underlying index for a longer period of time.

Risks:
The risks associated with the funds are detailed in the prospectus which include: adverse market conditions risk, adviser's investment strategy risk, concentration risk, counterparty risk, credit risk, daily correlation risk, debt instrument risk, derivatives risk, early close/trading halt risk, compounding and market volatility risk, gain limitation risk, high portfolio turnover risk, interest rate risk, intra-day investment risk, inverse correlation risk, leverage risk, liquidity risk, non-diversification risk, shorting risk, tax and distribution risk, tracking error risk, U.S. government securities risk and special risks of exchange-traded funds. Shorting securities occurs when investors sell securities they don't own and are committed to repurchasing eventually.

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